

AR41

Annual  
Report  
**1964**



**DOMINION GLASS  
COMPANY LIMITED**



# **DOMINION GLASS COMPANY LIMITED**

## **GENERAL OFFICE**

1111 BEAVER HALL HILL, MONTREAL

### **EXECUTIVE OFFICERS**

L. J. BELNAP, *Chairman*  
F. N. DUNDAS, *President*  
N. W. MELDRUM, *Vice-President and General Manager*  
J. R. MACKENZIE, *Vice-President—Manufacturing*  
H. J. MACDONALD, *Vice-President—Sales*  
T. B. KING, *Secretary*  
J. E. GLITHERO, *Treasurer*

### **DIRECTORS**

L. J. BELNAP  
R. CHAGNON  
R. W. COOPER  
K. T. DAWES  
F. N. DUNDAS  
I. R. MACDONALD  
N. W. MELDRUM  
F. W. ROSS  
H. E. SELLERS, C.B.E.  
H. M. TURNER  
\*N. M. YUILE

### **AUDITORS**

TOUCHE, ROSS, BAILEY & SMART, *Chartered Accountants*

### **TRANSFER AGENT**

THE ROYAL TRUST COMPANY, MONTREAL AND TORONTO

### **REGISTRAR**

BANK OF MONTREAL, MONTREAL AND TORONTO

## TO THE SHAREHOLDERS:

Your Directors are pleased to submit herewith the Consolidated Balance Sheet at September 30th, 1964, and the statement of Consolidated Income and Net Income retained and employed in the business for the year then ended, together with the Auditors' report thereon, and a summary of the Company's activities during the year.

The Net Income for the year was \$2,367,102 after all charges, including depreciation of \$1,500,072 and taxes on income of \$2,325,000.

The Company has taken advantage of Government Legislation and intends to claim the 50% capital cost allowance on capital expenditures made during the year as a deduction from income for tax purposes, while continuing to charge depreciation in the accounts on the same basis as in prior years. The amount by which current income taxes have thereby been reduced has been set aside as a provision for future income taxes against which the tax payable in future years may be charged when the depreciation recorded in the accounts may exceed that allowable for tax purposes.

Regular quarterly dividends of 17½¢ on Preferred shares and 15¢ on Common shares were paid

during the year. After dividends amounting to \$1,456,899 there remained a balance of \$910,203 to be added to NET INCOME RETAINED AND EMPLOYED IN THE BUSINESS.

Working Capital showed a decrease of \$163,991 over last year. Expenditures on capital account amounted to \$2,837,926. There remained a balance of \$2,519,000 on approved and uncompleted Capital Appropriations.

Production facilities of the Company were satisfactorily employed during the year. Sales volume increased substantially over the previous year reaching the second highest level in the Company's history. This volume was only exceeded in 1962 when sales were abnormally high due to the conversion to a standard bottle by the Brewing industry in Canada. Competition in the packaging field is becoming more and more intensified. During the past year, metal containers have made inroads into what have always been considered as traditional glass markets, mainly in the beverage fields. It is anticipated that this situation will become more acute in the months ahead. The Management of your Company is diligently reviewing plans which,

it is hoped, will minimize this competition and retain the markets for glass. The volume of glass used in the food packaging industry continues to increase and there is every indication that this trend will be accelerated in the coming year, when some products, with substantial volume, the major portion of which have heretofore been packed in metal containers, will be marketed in glass.

Your Company is constantly improving its operational practices to better satisfy the rigid specifications demanded by the modern high-speed processing machines used by its customers.

Included in the Company's modernization programme this year was the establishment of a Cafeteria, re-location of personnel offices and erection of an office building at the Montreal factory. In Hamilton, the New Mould Division was expanded and refurbished to better service the New Mould requirements of the Company. In Wallaceburg, the Packing Room has been replaced and a Carton Make-Up Building added. Additional capacity has also been added to our Tableware and Specialty Division to meet the demand for products of this Division. Construction of the new factory at Burnaby, B.C. is progressing and it is anticipated that it will be in a position to make glass in the Spring of 1965.

The products of the Plastics Division have had satisfactory consumer acceptance. Up to the present time the operations have been carried on in what your Management considers as a pilot and research operation. This Division has now reached the point where it is necessary to build facilities to enlarge the scope of its operations. Plans are presently being prepared towards this end.

Through a continuous programme of preventative maintenance, the facilities of the Company are being kept in good repair. At the same time a Property Conservation Programme is being developed in conjunction with the Company's Fire Insurance Carriers to maintain good housekeeping and fire prevention practices.

As the oldest and largest glass manufacturer in Canada, the Company has recognized its responsibility in participating tangibly in Canada's Centennial year. To this end, the Dominion Glass Centennial Research Foundation was established in September to collect and document, in conjunction with the Canadiana Department of the Royal

Ontario Museum in Toronto, objects of old Canadian glass, the majority of which were made by this Company and its predecessor Companies. This documentation will be published in a book entitled "One Hundred Years of Canadian Glass 1825-1925" which will appear late in 1966. It will be written by Mr. Gerald Stevens, a leading Canadian glass authority, who has been retained by the Company as a Research Associate to the Museum, for the Foundation. This will contribute greatly to Canada's recorded cultural history.

In November 1963, Mr. Roland Chagnon of Montreal was elected a Director of the Company to fill the vacancy on the Board created by the death of the late Senator Donat Raymond in June 1963.

It is with the deepest regret that the Directors report the death on November 6th, 1964, of Mr. N. M. Yuile who served the Company faithfully for 64 years, first in the Sales Division where he retired as General Sales Manager in 1924 and latterly as a Director. His wise counsel and judgment will be greatly missed.

Your Directors have pleasure in recording their appreciation of the efforts and loyalty of all the employees during the year. The Company work force, from Coast to Coast now stands at about 4,500 men and women. Of these, 710 or 16% are members of the Quarter Century Club and have an average of 36 years of service.

All Directors retire from office and all are eligible for re-election.

The Auditors, Messrs. Touche, Ross, Bailey and Smart also retire, and being eligible, offer themselves for re-appointment.

The Annual Meeting of the shareholders will be held in Montreal on Thursday, December 17th, 1964. Shareholders unable to be present are requested to complete and return the enclosed form of proxy.

On behalf of the Board

**L. J. BELNAP, Chairman.**

**FRED N. DUNDAS, President.**

Montreal, November 24th, 1964.

# DOMINION GLAS

(Incorporated under the Companies Act — Canada)

## CONSOLIDATED BALANCE SHEET

### Assets

	SEPTEMBER 30, 1964	SEPTEMBER 30, 1963
<b>CURRENT:</b>		
Cash . . . . .	\$ 440,701	\$ 629,310
Government bonds and treasury bills . . . . .	7,125,011	5,858,831
(Market value at September 30, 1964—\$7,201,908)		
Accounts receivable . . . . .	3,497,779	3,627,513
Manufactured products, materials and supplies, valued at cost or market, whichever is the lower, less fixed reserve . . . . .	10,356,789	10,367,020
	<hr/>	<hr/>
	\$21,420,280	\$20,482,674
<b>FIXED:</b>		
Real estate, buildings and equipment, at cost . . . . .	\$34,990,162	\$32,152,236
<i>Less:</i> Accumulated depreciation . . . . .	21,449,590	20,025,111
	<hr/>	<hr/>
	\$13,540,572	\$12,127,125
Patent rights, trade marks and goodwill . . . . .	2,200,920	2,200,920
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	15,741,492	14,328,045
 <b>DEFERRED CHARGES</b> . . . . .	 595,617	 584,870
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	\$37,757,389	\$35,395,589
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*SIGNED ON BEHALF OF THE BOARD:*

L. J. BELNAP, *Director.*

FRED N. DUNDAS, *Director.*

# COMPANY LIMITED

(AND SUBSIDIARY COMPANIES)

AS AT SEPTEMBER 30, 1964

## Liabilities and Capital

	SEPTEMBER 30, 1964	SEPTEMBER 30, 1963
<b>CURRENT:</b>		
Accounts payable and accrued charges . . . . .	\$ 5,362,466	\$ 4,879,825
Dividends payable:		
Preferred . . . . .	45,323	45,323
Common . . . . .	318,902	318,901
Income and other taxes . . . . .	<u>1,101,933</u>	<u>482,978</u>
	\$ 6,828,624	\$ 5,727,027
Provision for future income taxes — Note 2 . . . . .	350,000	
<b>RESERVES:</b>		
Replacement of plant and equipment . . . . .	\$ 500,000	\$ 500,000
Contingencies . . . . .	<u>350,000</u>	<u>350,000</u>
	850,000	850,000
<b>CAPITAL:</b>		
Authorized		
260,000 — 7% cumulative preferred shares, par value \$10. — Note 1		
2,500,000 — common shares of no par value		
Issued		
258,990 — preferred shares . . . . .	\$ 2,589,900	\$ 2,589,900
2,126,010 — common shares . . . . .	<u>4,260,100</u>	<u>4,260,100</u>
	6,850,000	6,850,000
<b>NET INCOME RETAINED AND EMPLOYED IN THE BUSINESS . . . . .</b>	<b>22,878,765</b>	<b>21,968,562</b>
	<b><u>\$37,757,389</u></b>	<b><u>\$35,395,589</u></b>

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. The holder of each of the 7% cumulative preferred shares has the right to convert to common shares of the company at any time prior to December 29, 1977 on the basis of one fully paid common share for each preferred share held. At September 30, 1964, 258,990 common shares of the company were reserved for this purpose.
2. It is the intention of the company to claim capital cost allowances for income tax purposes in excess of the depreciation recorded in the accounts for the year ended September 30, 1964. The amount of \$350,000 by which current income tax payable has thereby been reduced has been set aside as a provision for future income taxes which may be payable in future years when the depreciation recorded in the accounts may exceed that allowable for income tax purposes.
3. Unexpended balance of approved capital expenditure appropriations at September 30, 1964 amount to \$2,519,000.

**DOMINION GLASS COMPANY LIMITED**  
**STATEMENT OF CONSOLIDATED INCOME**

	<i>SEPTEMBER 30</i>	
	<i>1964</i>	<i>1963</i>
*Net operating profit before taking into account the items shown below . . . . .	\$ 4,623,600	\$ 3,728,139
<i>Add:</i>		
Income from investments . . . . .	230,623	362,149
Profit from sale of investments . . . . .	102,450	32,550
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	\$ 4,956,673	\$ 4,122,838
<i>Deduct:</i>		
Provision for income taxes . . . . .	\$ 2,325,000	\$ 1,625,000
Directors' fees . . . . .	18,648	18,581
Executive salaries . . . . .	221,500	219,000
Legal expenses . . . . .	24,423	36,264
	<hr/>	<hr/>
	\$ 2,589,571	\$ 1,898,845
Net income for the year . . . . .	<hr/>	<hr/>
	\$ 2,367,102	\$ 2,223,993

\*After charging depreciation of \$1,500,072 in 1964 and \$1,538,763 in 1963.

**STATEMENT OF CONSOLIDATED NET INCOME RETAINED AND EMPLOYED IN THE BUSINESS**

	<i>SEPTEMBER 30</i>	
	<i>1964</i>	<i>1963</i>
Balance at beginning of year . . . . .	\$21,968,562	\$20,908,705
<i>Add:</i>		
Net income for the year as above . . . . .	2,367,102	2,223,993
Net gain on realization of assets . . . . .	—	207,788
	<hr/>	<hr/>
	\$24,335,664	\$23,340,486
<i>Deduct:</i>		
Dividends:—		
Preferred . . . . .	\$ 181,293	\$ 181,470
Common . . . . .	1,275,606	1,190,454
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	\$ 1,456,899	\$ 1,371,924
Balance at end of year . . . . .	<hr/>	<hr/>
	\$22,878,765	\$21,968,562

# AUDITORS' REPORT TO THE SHAREHOLDERS

DOMINION GLASS COMPANY, LIMITED,  
MONTREAL, QUE.

We have examined the consolidated balance sheet of Dominion Glass Company, Limited and subsidiary companies as at September 30, 1964 and the related statements of income and net income retained and employed in the business for the year ended on that date and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, and according to the best of our information and the explanations given to us and as shown by the books of the companies, the accompanying consolidated balance sheet and related statements of income and net income retained and employed in the business are properly drawn up so as to exhibit a true and correct view of the state of the affairs of the company and subsidiary companies as at September 30, 1964 and the results of their operations for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

TOUCHE, ROSS, BAILEY & SMART,

*Chartered Accountants.*

Montreal, Que.

November 13, 1964.

## STATEMENT OF FUNDS

*For the Year Ended September 30th, 1964*

### SOURCE OF FUNDS:

Net Income for the year . . . . .	\$2,367,102
Non-Cash items included in income —	
Depreciation . . . . .	\$1,500,072
Provision for future income taxes . . . . .	350,000
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Proceeds from disposal of Fixed Assets. . . . .	1,850,072
	46,348
Decrease in Working Capital . . . . .	163,991
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	\$4,427,513

### APPLICATION OF FUNDS:

Invested in Plant & Equipment . . . . .	\$2,959,867
Dividends Paid . . . . .	1,456,899
Increase in Prepaid Expenses . . . . .	10,747
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	\$4,427,513

# **DOMINION GLASS COMPANY LIMITED**

## **GENERAL OFFICE**

1111 BEAVER HILL, MONTREAL

## **FACTORIES**

MONTRÉAL, HAMILTON, WALLACEBURG

AND REDCLIFF ALBERTA

## **SALES OFFICES**

MONTRÉAL, QUEBEC CITY, HALIFAX, TORONTO,

HAMILTON, WINNIPEG, REDCLIFF ALBERTA,

AND BURNABY B.C.

## **PRODUCTS**

BOTTLES AND JARS OF ALL DESCRIPTIONS

FOR PACKAGING, BOTTLING

AND HOUSEHOLD USE

TABLEWARE, KITCHENWARE, TUMBLERS,

PLAIN AND DECORATED

LANTERN GLOBES

ILLUMINATING AND INDUSTRIAL GLASSWARE

PLASTIC CONTAINERS

## **COLOURS**

AMBER, FLINT, GREEN, BLUE, OPAL



